

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AGRE-00 CIAE-00 COME-00 EB-08
INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-01
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FM USMISSION USBERLIN
TO SECSTATE WASHDC 4393
INFO AMEMBASSY BONN
AMEMBASSY BERLIN UNN
AMCONSUL FRANKFURT

UNCLAS USBERLIN 1018

E.O.11652: N/A
TAGS: EIND, ELAB, WB, GW
SUBJECT: LATEST BERLIN PLANT CLOSURE LEADS TO UPROAR

1. SUMMARY: LATEST BLOW TO BERLIN'S INDUSTRIAL EMPLOYMENT,
DECISION BY HOECHST TO REDUCE EMPLOYMENT IN BERLIN SUB-
SIDIARY BY 710, HAS SET OFF NEAR-UNANIMOUS CLAMOUR OF
INTEREST GROUPS AGAINST COMPANY. END SUMMARY.

2. HOECHST AG OF FRANKFURT REVEALED LAST WEEK THAT IT
IS SHUTTING DOWN PRODUCTION OF SYNTHETIC FIBERS IN PLANT
OF MAJORITY-OWNED BERLIN SUBSIDIARY SPINNSTOFFFABRIK
ZEHLENDORF AG, RESULTING IN LOSS OF 710 JOBS, OR TWO-
THIRDS OF COMPANY'S CURRENT EMPLOYEMENT. HOECHST BASED ITS
DECISION ON POOR CONDITIONS IN WORLD MARKET FOR SYNTHETIC
FIBERS, OUTMODDED FACILITIS IN BERLIN PLANT, AND HEAVY
LOSSES OF BERLIN FIRM IN PAST TWO YEARS. HOECHST SAYS ITS
EFFORTS TO FIND NEW ACTIVITY FOR BERLIN PLANT HAVE SO FAR
BEEN UNSUCCESSFUL , AND IT WILL OFFER DISPLACED BERLIN WORKERS
ANY SUITABLE JOBS BECOMING VACANT IN HOECHST PLANTS IN FRG.

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3. DISPLACED WORKERS, UNIONS, ALL POLITICAL PARTIES,
GOVERNING MAYOR, ECONOMICS SEANTOR, CHAMBER OF INDUSTRY
AND COMMERCE, THE PRSS - HAVE JOINED IN CLAMOR AGAINST
HOECHST FOR THIS DECISION. GOVERNING MAYOR PARTICIPATED
IN WORKER ASSEMBLY AND READ MESSAGE PETITIONING CHANCELOR
AND ECONOMICS MINISTER IN BONN IN NAME OF SENAT TO
PRESSURE HOECHST TO MAINTAIN BERLIN JOBS, CALLING COMPANY'S

DECISION " RUTHLESS". BERLIN SPD SEES DEVELOPMENT
REFLECTING " CYNICAL DISDAIN FOR PEOPLE." AFFECTED LABOR
UNION, WHICH APPARENTLY DOES NOT ENDORSE LABOR MOBILITY,
SEES OFFER OF JOBS IN WEST GERMANY AS " EYEWASH" AND " AN
ACT OF UNPARALLELED ARROGANCE" SINCE ONLY A FEW LAID-OFF
EMPLOYEES COULD TAKE ADVANTAGE OF THIS OFFER. EVEN
CHAMBER OF INDUSTRY AND COMMERCE, WHILE APPRECIATING,
THAT SYNTHETICAFIBER PRODUCTION MUST BE ADJUSTED TO
MARKET, NEVERTHELESS " CANNOT UNDERSTAND THAT MAJOR GERMAN
ENTERPRISE WITH 90,000 EMPLOYEES IN THE FRG COULD NOT
FIND IT POSSIBLE TO OFFER ONE PERCENT OF THESE WORKERS
JOBS IN COMPETITIVE PRODUCTION IN BERLIN." SENAT WAS
PARTICULARLY ANGERED BECAUSE HOECHST HAS MEMBER ON BERLIN
" BEAUFTRAGTER" GROUP WHO IN RECENT MEETING GAVE NOT HINT
OF MASS LAY-OFF.

4. HOECHST HAS MADE INITIAL RESPONSE TO UPROAR BY
NOTING ITS DECISION REACHED WITH REGRET AND IN FULL
KNOWLEDGE OF SPECIAL BERLIN CIRCUMSTANCES, AND PROMISING
TO CONSIDER BERLIN FULLY IN FUTURE INVESTMENT DECISIONS.
GEORGE

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Message Attributes

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Disposition Case Number: n/a
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Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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